



26 September 2014

Mr Paul Sinclair  
Branch President  
The Pharmacy Guild of Australia, New South Wales Branch  
84 Christie Street  
ST LEONARDS NSW 2065

Dear Mr Sinclair

**The Pharmacy Guild of Australia New South Wales Branch Financial Report for the year ended 30 June 2014 - [FR2014/117]**

I acknowledge receipt of the financial report of the Pharmacy Guild of Australia New South Wales Branch. The documents were lodged with the Fair Work Commission (FWC) on 22 September 2014.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2015 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

**Receivable and/or payable with another reporting unit**

Reporting Guideline 19 requires either the Statement of Financial Position or the notes to the Statement of Financial Position to disclose any receivables from and/or payables owed to other reporting unit(s), including the name of the other reporting unit(s) and the amount attributable to the other reporting unit(s).

Although Notes 6 and 12 disclose that a trade receivable and trade payable relates to the National Secretariat and Other Branches, it does not fully comply with the requirements of Reporting Guideline 19 and name each of the 'Other Branches' and attribute the amount of the trade receivable and trade payable to each Branch.

Please ensure this information is provided in future financial reports.

**Reporting Requirements**

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations)*

Act 2009, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8661 7886 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



**Designated Officer's Certificate**

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate for the period ended 30 June 2014

I, Paul Sinclair, being the Secretary of The Pharmacy Guild of Australia (NSW Branch) certify:

- that the documents lodged herewith are copies of the full report for The Pharmacy Guild of Australia (NSW Branch) referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of The Pharmacy Guild of Australia (NSW Branch) on 22 August 2014; and
- that the full report was presented to a general meeting of members of The Pharmacy Guild of Australia (NSW Branch) on 18 September 2014; in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer .....

Name of prescribed designated officer: Paul Sinclair

Title of prescribed designated officer: Secretary and State President

Dated: 18 September 2014

**New South Wales Branch**

84 Christie Street St Leonards NSW 2065  
Locked Bag 2112 St Leonards NSW 1590  
Telephone +61 2 9467 7100 • Facsimile +61 2 9467 7101  
Email [guild.nsw@guild.org.au](mailto:guild.nsw@guild.org.au) • Web [www.guild.org.au/nsw](http://www.guild.org.au/nsw)

ABN 87 740 877 429



**THE PHARMACY GUILD OF AUSTRALIA  
(NSW BRANCH)**

**ABN 87 740 877 429**



**FULL REPORT  
CONSISTING OF**

- ◆ **GENERAL PURPOSE FINANCIAL REPORT  
(FINANCIAL STATEMENTS)**
  - ◆ **AUDITOR'S REPORT**
  - ◆ **OPERATING REPORT**

**30 JUNE 2014**

	<b>Page</b>
Operating Report	1
Statement of Comprehensive Income	2
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Committee of Management Statement	20
Independent Audit Report	22

OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2014

---

The committee presents its report on The Pharmacy Guild of Australia (NSW Branch) for the financial year ended 30 June 2014.

(a) **Review of principal activities:**

- (i) The Pharmacy Guild of Australia (NSW Branch) is an employers' organisation servicing the needs of proprietors of independent community pharmacies and representing their interests in industrial matters.
- (ii) The Pharmacy Guild of Australia (NSW Branch) has continued to assist the National Council and the National Executive of The Pharmacy Guild of Australia in carrying out the overall policy and objectives of the Guild.
- (iii) Included in the Annual Report are the various reports compiled by The Pharmacy Guild of Australia (NSW Branch) State President, Branch Director and Officers outlining the activities for the year. There were no significant changes in the nature of these activities during the year under review.

(b) **Significant changes in financial affairs:**

There have been no significant changes during the year.

(c) **Right of members to resign:**

Under Section 174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from membership by written notice addressed and delivered to the Branch Director in accordance with Rule 36 of the Guild's Constitution.

(d) **Number of members:**

As at 30 June 2014 the number of members of The Pharmacy Guild of Australia (NSW Branch) was 1,323 including Honorary Life & 50 Year Life Members.

(e) **Number of employees:**

As at 30 June 2014 the number of employees of The Pharmacy Guild of Australia (NSW Branch) was 40.

(f) **Names of Committee of Management members and period positions held during the financial year:**

In accordance with Regulation 159(c) of the Fair Work (Registered Organisations) Regulations 2009 the following persons were members of the Branch Committee during the financial year:

1 July 2013 – 30 June 2014

Silas Banks	Mario Barone	John Black	Mark Douglass
Gregory Everett	Timothy Hewitt	Denis Leahy	Binh Luu
Peter McBeath	George Mendria	Rick Samimi	Paul Sinclair
Michelle Spiro	Richard Walsh		

1 July 2013 – 7 November 2013

Anthony Lawler

20 February 2014 – 30 June 2014

Paul Jones



**Paul Sinclair**  
**State President**  
20 August 2014

STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
<b>REVENUE</b>			
<b>Grants</b>			
Methadone incentive scheme funding		1,515,845	2,003,833
Needle & Syringe exchange funding		1,341,480	1,427,040
Quit for New Life funding		20,429	7,358
5CPA funding		-	201,760
Pharmacy Health Checks funding		939,447	273,145
<b>Donations</b>			
<b>Other revenue</b>			
Advertising		94,709	87,154
Commission income		701,086	694,462
Gain on disposal of asset		-	6,014
Get Healthy funding		32,040	-
HMR Report Sales		-	39,940
Interest		201,309	243,997
Pharmacy business services income		254,342	449,577
Promotional income		500,601	661,997
QCPP funding		906,717	791,100
QUMAX funding		-	101,170
Value of Community Pharmacy funding		38,156	39,445
Rent		113,709	255,437
Subscriptions		3,482,180	3,381,203
Temperature verification fees		257,553	341,560
Training services		615,349	782,060
Other revenue from ordinary activities		621,693	520,223
<b>Revenues from ordinary activities</b>		<b>11,636,645</b>	<b>12,308,475</b>
<b>EXPENSES</b>			
<b>Depreciation</b>			
Buildings and leasehold improvements		30,000	31,875
Property, plant and equipment		34,468	87,850
Motor Vehicles		-	-
Intangibles		14,736	16,406
		<u>79,204</u>	<u>136,131</u>
<b>Employee Benefit Expense</b>			
Contract wages paid to employee contractors		90,274	458,866
Fringe Benefits Tax		49,307	52,112
Leave provisions		(201,488)	(180,250)
Salaries and Allowances	4	2,918,317	2,931,668
Superannuation	4	344,847	267,060
Temporary staff		66,349	99,761
		<u>3,267,606</u>	<u>3,629,217</u>
<b>Other Expenses</b>			
Administration services		116,660	98,777
Audit fees		48,808	48,591
Capitation fees – National Council Dues		1,932,019	1,868,256
Cleaning		31,840	29,015
Conference and meeting expenses		7,904	3,993
Consultancy fees		146,755	55,136
Donations		27,211	24,949
Electricity		50,790	46,729
Furniture hire		102,794	122,077
Insurance		82,088	101,363
Legal costs – other legal matters		8,516	15,552
Legal costs – litigation		-	-
<b>Balance carried forward</b>		<b>2,555,385</b>	<b>2,414,438</b>

**STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2014 (Cont'd)**

	2014	2013
	\$	\$
<b>Other Expenses (Continued)</b>		
<b>Balance brought forward</b>	<b>2,555,385</b>	<b>2,414,438</b>
Loss on disposal of asset	22,375	19,370
Maintenance	121,228	139,667
Methadone incentive payments	1,333,043	1,787,800
Needle & syringe exchange contractor fees	203,498	199,574
Needle & syringe exchange payments	792,282	888,461
Payroll tax	138,751	166,116
Pharmacy Health Checks Payments	602,270	74,545
Poisons schedule costs	11,504	34,850
Postage & courier costs	102,724	113,589
Printing & stationery	326,109	382,643
Telephone, fax & internet costs	140,433	125,422
Travel, motor vehicle & accommodation expenses	268,208	226,804
Venue hire	258,726	341,994
Other expenses from ordinary activities	1,443,624	1,370,252
	<u>8,320,160</u>	<u>8,285,525</u>
Total Expenditure	<u>11,666,970</u>	<u>12,050,873</u>
Net (loss)/surplus from ordinary activities	<u>(30,325)</u>	<u>257,602</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Net gain/(loss) on revaluation of land and buildings	255,000	(130,355)
Total other comprehensive income for the year	<u>255,000</u>	<u>(130,355)</u>
<b>Total comprehensive income for the year</b>	<u><b>224,675</b></u>	<u><b>127,247</b></u>

These statements should be read in conjunction with the accompanying notes



STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,105,563	2,956,234
Trade and other receivables	6	2,693,885	3,012,212
Inventories	7	29,065	8,023
Other assets	8	54,357	60,639
Financial assets	9	4,000,000	4,000,000
<b>TOTAL CURRENT ASSETS</b>		<b>9,882,870</b>	<b>10,037,108</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	9	34	34
Property, plant and equipment	10	4,892,152	4,688,144
Intangible assets	11	50,838	16,854
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,943,024</b>	<b>4,705,032</b>
<b>TOTAL ASSETS</b>		<b>14,825,894</b>	<b>14,742,140</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,796,662	2,171,371
Short-term provisions	13	305,387	491,582
Other liabilities	14	4,266,695	3,831,421
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,368,744</b>	<b>6,494,374</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	13	10,762	26,053
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>10,762</b>	<b>26,053</b>
<b>TOTAL LIABILITIES</b>		<b>6,379,506</b>	<b>6,520,427</b>
<b>NET ASSETS</b>		<b>8,446,388</b>	<b>8,221,713</b>
<b>EQUITY</b>			
Reserves	15	751,632	496,632
Retained earnings		7,694,756	7,725,081
<b>TOTAL EQUITY</b>		<b>8,446,388</b>	<b>8,221,713</b>

These statements should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Closing Balance at 30 June 2012	7,467,479	626,987	8,094,466
Profit for the year ended 30 June 2013	257,602	-	257,602
Revaluation increment (decrement)	-	(130,355)	(130,355)
Total comprehensive income for the year	257,602	(130,355)	127,247
Closing Balance at 30 June 2013	7,725,081	496,632	8,221,713
Profit for the year ended 30 June 2014	(30,325)	-	(30,325)
Revaluation increment (decrement)	-	255,000	255,000
Total comprehensive income for the year	(30,325)	255,000	224,675
Closing Balance at 30 June 2014	7,694,756	751,632	8,446,388

These statements should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		12,113,645	11,172,296
Receipts from National Secretariat and Other Branches	19(c)	1,176,532	1,555,883
Payments to suppliers and employees		(11,041,230)	(10,433,080)
Payments to National Secretariat and Other Branches	19(c)	(2,216,356)	(2,263,419)
Interest received		201,309	243,997
Net cash provided by operating activities	19(b)	<u>233,900</u>	<u>275,677</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(84,571)	(32,821)
Proceeds from sale of property plant and equipment		-	19,486
Purchase of financial assets		-	(200,000)
Net cash used in investing activities		<u>(84,571)</u>	<u>(213,335)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		149,329	62,342
Cash and cash equivalents at the beginning of year		<u>2,956,234</u>	<u>2,893,892</u>
<b>Cash and cash equivalents at the end of year</b>	19(a)	<u><u>3,105,563</u></u>	<u><u>2,956,234</u></u>

These statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is for the entity Pharmacy Guild of Australia (NSW Branch) ("Guild") as an individual entity. The Branch is registered under the Fair Work (Registered Organisations) Act 2009. In accordance with the Act the Branch is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Branch is not subject to the Corporations Act.

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009. The Pharmacy Guild of Australia (NSW) Branch is a not-for-profit entity for the purposes of preparing the financial statements.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the branch committee of management have prepared a full set of financial statements with all disclosure requirements.

The following is a summary of the material accounting policies adopted by the organisation in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

The accounting policies set out below have been consistently applied to all years presented.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

**(a) Income Tax**

Under Section 50-15 of the Income Tax Assessment Act 1997, the income of Pharmacy Guild of Australia (NSW Branch) ("Guild") is exempt from income tax.

**(b) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned to individual items on a first-in first-out basis.

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on a fair value basis less depreciation and impairment losses. Revaluation entries were processed to the asset revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Property, Plant and Equipment (Continued)**

Works of art are re-valued every 3 years at fair value.

The carrying amount of property, plant and equipment is reviewed annually by the branch committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use, with value in use being determined as the written-down current cost (depreciated replacement cost) of the asset.

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Guild commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and equipment	10-33%
Motor vehicles	20%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Intangibles**

Software and implementation costs are treated as intangible assets.

**(e) Employee Benefits**

A provision is made for the Guild's liability for employee benefits arising from services rendered by employees and officers to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus any related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Guild to an employee superannuation fund and are charged as expenses when incurred.

Amounts accrued for long service leave benefits are calculated in accordance with The National Employment Standards, awards and negotiated agreements.

**(f) Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates. Revenue from the sale of goods is recognised upon the delivery of the goods to the customer. Revenue from the rendering of a service is recognised upon the delivery of the service to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown exclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Financial Assets

*Recognition*

Financial assets are initially measured at cost on trade debt, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Held-to-maturity investments*

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

*Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(j) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Guild estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As not-for-profit, where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants are recognised as revenue subject to conditions being met.

(l) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Critical Accounting Estimates and Judgments

The Branch Committee evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events based on current trends and economic data, obtained both externally and within the group.

*Key estimates - Impairment*

The Branch Committee assesses impairment at each reporting date by evaluating conditions specific to the Guild that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

(n) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which have a financial impact on the financial report in future periods and which are not yet effective.

(o) Going concern

The Pharmacy Guild of Australia (NSW Branch) has agreed to provide The New South Wales Pharmacy Guild with financial support to ensure they can continue as a going concern. The Pharmacy Guild of Australia (NSW Branch) has an ongoing agreement to supply financial and administration support to The New South Wales Pharmacy Guild, and during the year donated \$2,800 (2013: \$2,700) to support the entity.

2. ORGANISATIONAL INFORMATION

The financial report of The Pharmacy Guild of Australia (NSW Branch) for the year ended 30 June 2014 was authorized for issue in accordance with a resolution passed by the Committee of Management.

The Pharmacy Guild of Australia is an organization registered under the Fair Work (Registered Organisations) Act 2009. The nature of the operations and principal activities of the Guild are described in the Operating Report.

The principal place of business of The Pharmacy Guild of Australia (NSW Branch) is 84 Christie Street, St Leonards, NSW 2065.

3. KEY MANAGEMENT PERSONNEL COMPENSATION

	Salary & Bonus	Superannuation	Non-Cash Benefits	Other	Long-term Benefits	Total
	\$	\$	\$	\$	\$	\$
2014						
Total						
Compensation	1,282,993	126,179	15,105	57,570	-	1,481,847
2013						
Total						
Compensation	1,428,219	139,628	22,018	67,639	-	1,657,504

The number of people included as key management personnel is 13 (2013: 14).

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<b>4. EMPLOYEE EXPENSES</b>		
<b>Holders of office:</b>		
- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	-	-
<b>Subtotal employee expenses – holders of office</b>	<u>-</u>	<u>-</u>
<b>Employees other than office holders</b>		
- Wages and salaries	2,918,317	2,931,668
- Superannuation	344,847	267,060
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	-	-
<b>Subtotal employee expenses – employees other than office holders</b>	<u>3,263,164</u>	<u>3,198,728</u>
<b>Total employee expenses</b>	<u>3,263,164</u>	<u>3,198,718</u>
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	<u>3,105,563</u>	<u>2,956,234</u>
	<u>3,105,563</u>	<u>2,956,234</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors		
- National Secretariat and related party receivables	19,590	26,244
- Other debtors	2,379,700	2,746,526
Provision for doubtful debts	<u>(8,569)</u>	<u>(28,915)</u>
	2,390,721	2,743,855
Sundry debtors	<u>303,164</u>	<u>268,357</u>
	<u>2,693,885</u>	<u>3,012,212</u>
Current trade and term receivables are generally on 30 day terms except for branch membership subscriptions which members can elect to pay by installments in accordance within the Guild's Constitution. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.		
<b>7. INVENTORIES</b>		
Raw materials and stores	<u>29,065</u>	<u>8,023</u>
<b>8. OTHER CURRENT ASSETS</b>		
Prepayments	<u>54,357</u>	<u>60,639</u>



NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<b>9. FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Bank term deposits	<u>4,000,000</u>	<u>4,000,000</u>
There is a Bank Guarantee for \$420,000 f/o Australian Skills Quality Authority secured by the term deposit. This is to ensure compliance with protecting student fees.		
<b>NON-CURRENT</b>		
Shares in controlled entities – at cost	16 <u>34</u>	<u>34</u>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land, at fair value	<u>3,600,000</u>	<u>3,300,000</u>
	<u>3,600,000</u>	<u>3,300,000</u>
Buildings, at fair value	<u>1,200,000</u>	<u>1,275,000</u>
	<u>1,200,000</u>	<u>1,275,000</u>
Total land and buildings	<u>4,800,000</u>	<u>4,575,000</u>
Plant and equipment, at cost	1,024,940	1,036,593
Accumulated depreciation	<u>(1,002,979)</u>	<u>(993,639)</u>
	<u>21,962</u>	<u>42,954</u>
Works of art, at fair value	<u>70,190</u>	<u>70,190</u>
	<u>70,190</u>	<u>70,190</u>
Total property, plant and equipment	<u>4,892,152</u>	<u>4,688,144</u>

The valuation of land and building assets was completed by Certified Practising Valuer, Ian Handley (Registered Valuer 1135), of Handley Partners Property with the date of inspection of the assets being performed on 1 June 2014 for the value as at 30 June 2014. The same valuer performed the revaluation for the land and buildings for the year ended 30 June 2013.

Works of Art are recorded at a fair market value in continued use and are revalued every three years. On 22 April 2013, Mr. Colin McWilliam, NCJV Fine Arts Division Registered Valuer No. 384, of McWilliam & Associates Pty Ltd revalued the Works of Art at \$70,190. The revaluation was credited in 2013 to the asset revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Movements in carrying amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year.

2014	Opening balance	Additions	Revaluations	Disposals	Depreciation	Closing balance
	\$	\$	\$	\$	\$	\$
Freehold Land	3,300,000	-	300,000	-	-	3,600,000
Buildings	1,275,000	-	(45,000)	-	(30,000)	1,200,000
Plant and equipment	42,954	14,352	-	(876)	(34,468)	21,962
Works of art	70,190	-	-	-	-	70,190
Total	4,688,144	14,352	255,000	(876)	(64,468)	4,892,152

2013	Opening balance	Additions	Revaluations	Disposals	Depreciation	Closing balance
	\$	\$	\$	\$	\$	\$
Freehold Land	3,300,000	-	-	-	-	3,300,000
Buildings	1,440,000	-	(133,125)	-	(31,875)	1,275,000
Plant and equipment	109,073	21,731	-	-	(87,850)	42,954
Motor vehicles	32,842	-	-	(32,842)	-	-
Works of art	67,420	-	2,770	-	-	70,190
Total	4,949,335	21,731	(130,355)	(32,842)	(119,725)	4,688,144

11. INTANGIBLE ASSETS

	2014	2013
	\$	\$
Software, at cost	194,783	146,063
Accumulated amortisation	(143,945)	(129,209)
	<u>50,838</u>	<u>16,854</u>

Movements in carrying amounts

Movements in carrying amounts for the intangible assets between the beginning and the end of the financial year.

2014	Opening balance	Additions	Disposals	Amortisation	Closing balance
	\$	\$	\$	\$	\$
Software	16,854	70,220	(21,500)	(14,736)	50,838
Total	16,854	70,220	(21,500)	(14,736)	50,838

2013	Opening balance	Additions	Disposals	Amortisation	Closing balance
	\$	\$	\$	\$	\$
Software	22,170	11,090	-	(16,406)	16,854
Total	22,170	11,090	-	(16,406)	16,854

12. TRADE AND OTHER PAYABLES

	2014	2013
	\$	\$
CURRENT		
Trade creditors		
- National Secretariat and Other Branches	98,947	158,762
- Other creditors	904,088	958,984
Accrued charges	793,627	1,053,625
Sundry creditors	-	-
	<u>1,796,662</u>	<u>2,171,371</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<b>13. PROVISIONS</b>		
<b>Office Holders:</b>		
Annual Leave	-	-
Long Service Leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – office holders</b>	<u>-</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Annual Leave	185,976	249,966
Long Service Leave	130,173	267,669
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – employees other than office holders</b>	<u>316,149</u>	<u>517,635</u>
<b>Total employee provisions</b>	<u>316,149</u>	<u>517,635</u>
Current	305,387	491,582
Non-current	10,762	26,053
<b>Total employee provisions</b>	<u>316,149</u>	<u>517,635</u>

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(e).

**14. OTHER CURRENT LIABILITIES**

Deferred income	2,055,836	2,269,371
Subscriptions in advance	1,603,621	1,351,811
Monies received in advance	607,238	210,239
	<u>4,266,695</u>	<u>3,831,421</u>

**15. RESERVES**

Asset revaluation reserve	<u>751,632</u>	<u>496,632</u>
<b>Asset revaluation reserve</b>		
Opening balance	496,632	626,987
Revaluation of land and buildings	255,000	(133,125)
Revaluation of works of art	-	2,770
Closing balance	<u>751,632</u>	<u>496,632</u>

The asset revaluation reserve records revaluations of non-current assets.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

16. CONTROLLED ENTITIES

Name	Country of Incorporation	% Owned		Investment At Cost		Contribution to Operating Surplus	
		2014	2013	2014	2013	2014	2013
		\$	%	\$	\$	\$	\$
Pharmacy Guild Services (NSW) Pty Ltd	Australia	100	100	22	22	Nil	Nil
Pharmacy Guild Sales & Valuations (NSW) Pty Ltd	Australia	100	100	12	12	Nil	Nil

Pharmacy Guild Services (NSW) Pty Ltd is the holding company for Pharmacy Guild Sales & Valuations (NSW) Pty Ltd.

17. RELATED PARTY INFORMATION

The Branch is part of an Australia wide organisation. Sales to and purchases from other Branches and the National Secretariat were made on normal commercial terms of trade during the year and amounted in aggregate to:

National Secretariat	
Sales	\$1,160,679
Purchases	\$2,093,295
Guild Branches	
Sales	\$15,853
Purchases	\$123,061

Branch committee members who held office during the financial year were:

S Banks	M Barone	J Black	M Douglass	G Everett
T Hewitt	P Jones	A Lawler	D Leahy	B Luu
P McBeath	G Mendria	R Samimi	P Sinclair	M Spiro
R Walsh				

The aggregate amount of remuneration paid to officers during the year is disclosed on the statement of comprehensive income.

The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is nil (2013: nil).

There have been no other transactions between the Officers and the Branch other than those relating to their membership of the Branch and the reimbursement by the Branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

18. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, Chapter 8, Division 7, Section 272, the attention of members is drawn to the following provisions:

Subsection 272 (1)

A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

Subsection 272 (2)

The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

Subsection 272 (3)

An organisation must comply with an application made under subsection (1).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>19. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of Cash</b>		
Cash at the end of financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	-	500
Cash at bank	3,105,563	2,955,734
Cash balance as per statement of cash flows	<u>3,105,563</u>	<u>2,956,234</u>
<b>(b) Reconciliation of net cash flows from operating activities with operating profit after income tax</b>		
Operating (loss)/surplus	(30,325)	257,602
Non-cash flows in operating profit		
Depreciation and amortisation	79,204	136,131
Net loss on sale of property plant and equipment	22,375	13,356
<i>Changes in assets and liabilities, net of the effects of purchase and disposals of controlled entities:</i>		
Decrease / (increase) in trade and other receivables	318,327	(321,383)
Decrease / (increase) in prepaid expenses	6,282	46,998
Decrease / (increase) in inventories	(21,042)	12,468
Increase / (decrease) in creditors	(374,709)	335,320
Increase / (decrease) in other current financial liabilities	435,274	(24,565)
Increase / (decrease) in provisions – employee entitlements	(201,486)	(180,250)
Cash flows from operations	<u>233,900</u>	<u>275,677</u>
<b>(c) Cash flow information</b>		
<b>Cash inflows</b>		
The Pharmacy Guild of Australia (National Secretariat)	1,160,679	1,360,060
The Pharmacy Guild of Australia (ACT Branch)	109	-
The Pharmacy Guild of Australia (Victoria Branch)	226	178,673
The Pharmacy Guild of Australia (Queensland Branch)	9,484	14,288
The Pharmacy Guild of Australia (Northern Territory Branch)	1,339	57
The Pharmacy Guild of Australia (South Australia Branch)	862	1,358
The Pharmacy Guild of Australia (Western Australia Branch)	2,564	1,192
The Pharmacy Guild of Australia (Tasmania Branch)	1,269	255
<b>Total cash inflows</b>	<u>1,176,532</u>	<u>1,555,883</u>
<b>Cash outflows</b>		
The Pharmacy Guild of Australia (National Secretariat)	2,093,295	2,205,824
The Pharmacy Guild of Australia (ACT Branch)	7,339	9,039
The Pharmacy Guild of Australia (Victoria Branch)	266	10,994
The Pharmacy Guild of Australia (Queensland Branch)	75,528	32,979
The Pharmacy Guild of Australia (Northern Territory Branch)	5,061	42
The Pharmacy Guild of Australia (South Australia Branch)	1,260	2,368
The Pharmacy Guild of Australia (Western Australia Branch)	29,289	1,700
The Pharmacy Guild of Australia (Tasmania Branch)	4,318	473
<b>Total cash outflows</b>	<u>2,216,356</u>	<u>2,263,419</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2014

**20. METHADONE INCENTIVE SCHEME, NEEDLE & SYRING EXCHANGE, PHARMACY HEALTH CHECKS "KNOW YOUR NUMBERS", GET HEALTHY AND QUIT FOR NEW LIFE.**

These programs operate throughout the State and are wholly funded by the NSW government.

**21. FINANCIAL RISK MANAGEMENT**

**(a) Capital Management**

The Guild's financial instruments consist of deposits with banks and accounts receivable and payable. Branch funds are invested in accordance with the Guild's Constitution whereby all monies are deposited with an accredited bank. The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate surplus funds are maintained to meet financial obligations.

When managing capital, the Guild's objective is to ensure that the organisation continues as a going concern as well as to maintain optimal benefits for stakeholders. The Guild also aims to maintain a capital structure that ensures the lowest cost of capital available to the organisation.

The Guild is not subject to any externally imposed capital requirements.

**(b) Credit Risk**

The Guild continuously monitors defaults by customers and other counterparties and incorporates this information into its credit risk controls. The Guild's management considers that all of the above financial assets are not impaired for each reporting date and are of good quality, including those past due.

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

In respect of trade and other receivables, the Guild is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Current trade and term receivables are 30 day terms except for branch membership subscriptions which members can elect to pay by instalments in accordance with the Guild's Constitution. No terms have been renegotiated during the year.

A provision for impairment totalling \$8,569 has been made to recognise some difficulty in collectability of some invoices issued. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. No write-offs have been necessary during the current year.

No trade and other receivables are deemed to be impaired. Collateral is not held as security, nor is it the Guild's policy to transfer (on-sell) receivables. In addition some of the unimpaired trade receivables are past due as at reporting date. The ageing of financial assets past due is as follows:

	2014	2013
	\$	\$
0-30 days	2,319,930	2,630,277
31-60 days PDNI*	30,411	16,393
31-60 days CI*	-	-
61-90 days PDNI*	22,126	12,498
61-90 days CI*	-	-
+91 days PDNI*	18,469	84,687
+91 days CI*	8,354	28,915
	2,399,290	2,772,770

PDNI\* Past due not considered impaired

CI\* Considered to be impaired

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

21. FINANCIAL RISK MANAGEMENT (Continued)

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The organisation has material credit risk exposure within the pharmaceutical industry under financial instruments entered into by the organisation.

The financial assets of the organisation are as follows:

	Note	Weighted Average Effective Interest Rate		Floating & Fixed Interest Rate		Non-Interest bearing	
		2014 %	2013 %	2014 \$	2013 \$	2014 \$	2013 \$
<b>FINANCIAL ASSETS</b>							
Cash at bank	5	2.50	3.80	3,105,563	2,956,234	-	-
Bank term deposit	9	3.72	4.19	4,000,000	4,000,000	-	-
Trade and other receivables	6	-	-	-	-	2,390,721	2,743,855
Other debtors	6	-	-	-	-	303,164	268,357
<b>TOTAL FINANCIAL ASSETS</b>				<b>7,105,563</b>	<b>6,956,234</b>	<b>2,693,885</b>	<b>3,012,212</b>
<b>FINANCIAL LIABILITIES</b>							
Trade and other payables	12	-	-	-	-	1,003,035	1,117,746
Accrued charges	12	-	-	-	-	793,627	1,053,625
<b>TOTAL FINANCIAL LIABILITIES</b>				<b>-</b>	<b>-</b>	<b>1,796,662</b>	<b>2,171,371</b>

(c) Sensitivity Analysis

The Guild has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The Guild is exposed to changes in market interest rates through the cash held at banks which are subject to variable and fixed interest rates.

The following table illustrates the sensitivity of the net result for the year and the equity to a reasonably possible change in interest rates of +1% and -1% (2013: +/-1%), with the effect from the beginning of the year. These changes are considered to be reasonably possible based on observations of current market conditions.

The calculations are based on the Guild's financial instruments held at each balance date and exclude monies held in 'at call' accounts for the Methadone Incentive Scheme and Needle and Syringe Exchange government funded programs as bank interest received for these funds must be paid to the NSW State Government. All other variables are held constant.

	2014 \$	2014 \$	2013 \$	2013 \$
	+1%	(1%)	+1%	(1%)
Net result for the year	71,056	(71,056)	69,562	(69,562)
Equity	71,056	(71,056)	69,562	(69,562)

The Guild does not have any foreign currency or other market exposures.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

---

**22. EVENTS SUBSEQUENT TO BALANCE DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

**23. CONTINGENT LIABILITIES**

As at 30 June 2014 there are no contingent liabilities (2013: Nil).

**24. NSW GOVERNMENT FUNDED PROGRAMS**

The following programs operate throughout the state and are wholly funded by the NSW Government:

- Methadone Incentive Scheme
- Needle & Syringe Exchange
- Pharmacy Health Checks 'Know Your Numbers'

**25. SPECIFIC REQUIREMENTS OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**

- The reporting entity is not reliant on agreed financial support of another reporting unit;
- The reporting entity has not acquired an asset or a liability during the year as a result of an amalgamation, or other restructure, or business combination;
- The reporting entity has not received any capitation fees;
- The reporting entity has not received financial support from another reporting unit;
- The reporting entity has not incurred fees as consideration for employers making payroll deductions of membership subscriptions;
- The reporting entity has not paid fees or allowances to persons to attend a conferences or other meeting as a representative of the reporting unit;
- The reporting entity has not had penalties imposed under the RO Act;
- The reporting entity has no payables to employers as consideration for the employers making payroll deductions of membership subscriptions; and
- The reporting entity has no payables in respect of legal costs and other expenses related to litigation or other legal matters.

	2014	2013
	\$	\$
Expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible	<u>82,437</u>	<u>69,178</u>



COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014

---

On 20 August 2014 the Committee of Management of The Pharmacy Guild of Australia (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2014:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Pharmacy Guild of Australia (NSW Branch) for the financial year to which they relate;
- (d) there are reasonable grounds to believe that The Pharmacy Guild of Australia (NSW Branch) will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
  - (ii) the financial affairs of The Pharmacy Guild of Australia (NSW Branch) have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of The Pharmacy Guild of Australia (NSW Branch) have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of The Pharmacy Guild of Australia (NSW Branch) have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of The Pharmacy Guild of Australia (NSW Branch) or General Manager of Fair Work Australia duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
  - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by The Pharmacy Guild of Australia (NSW Branch) from which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

THE PHARMACY GUILD OF AUSTRALIA (NSW BRANCH)  
ABN 87 740 877 429

COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014

---

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is made in accordance with a resolution of the Committee of Management.



Paul Sinclair  
State President  
20 August 2014



Denis Leahy  
Vice-President, Finance  
20 August 2014



Level 17, 383 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

T +61 2 8297 2400  
F +61 2 9299 4445  
E [info.nsw@au.gt.com](mailto:info.nsw@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## **Independent Auditor's Report To the Members of The Pharmacy Guild of Australia (NSW Branch)**

We have audited the accompanying financial report of The Pharmacy Guild of Australia (NSW Branch) (the "Guild"), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the Committee of Management Statement.

### **Responsibility of the Committee of Management and the Branch Secretary for the financial report**

The Committee of Management and the Branch Secretary of the Guild are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulation 2009. This responsibility includes such internal controls as the Committee of Management and the Branch Secretary determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement,

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Guild's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Guild's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management and the Branch Secretary, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

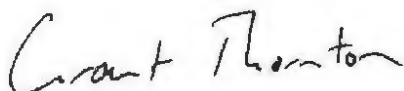
#### **Independence**

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

#### **Auditor's Opinion**

In our opinion:

- a The financial report of The Pharmacy Guild of Australia (NSW Branch):
  - i presents fairly, in all material respects, The Pharmacy Guild of Australia (NSW Branch)'s financial position as at 30 June 2014 and of its performance and cash flows for the year then ended;
  - ii complies with Australian Accounting Standards and the relevant legislation; and
  - iii complies with the requirements of Fair Work (Registered Organisations) Regulations 2009 and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- b Management's use of the going concern basis of accounting in the preparation of The Pharmacy Guild of Australia (NSW Branch)'s financial statements is appropriate.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



CF Farley  
Partner - Audit & Assurance

Sydney, 20 August 2014